

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1853 - SB 1591

March 23, 2011

SUMMARY OF BILL: Requires the Department of Environment and Conservation (TDEC) to give public notice for proposed drilling for oil or gas, applications to drill, hearings, and appeals. Requires the applicant for drilling to post signs at the entrance of drill sites. Establishes requirements for public notices. Authorizes any interested person to request a public hearing regarding possible drilling. Requires the Commissioner of TDEC to hold a public hearing if significant public interest exists.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$16,800/One-Time
\$413,500/Recurring**

Assumptions:

- According to TDEC, there are 300 permit applications received annually. One-half will generate significant public interest to hold a public hearing. A total of 150 public hearings per year.
- Three additional Environmental Specialists will be required to receive public comments, issue public notices, prepare for hearings, hold public hearings, and document information related to hearings.
- A recurring increase in state expenditures of \$185,148 (\$116,328 + \$43,020 benefits + \$25,800 operational). An increase in one-time state expenditures associated with these positions of \$16,800.
- A recurring increase in state expenditures of \$228,375 for public notices in newspapers (\$150,000), mailings (\$3,375), and public hearing expenses (\$75,000).
- A total increase in recurring state expenditures of \$413,523 (\$185,148 + \$228,375).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/jaw